

# Agreement/Contract # IT16-034-02

## INDIRECT SALES AGREEMENT

This Indirect Sales Agreement (the "**Agreement**") is entered into as of June 23, 2016 (the "Effective Date") by and between Itron, Inc. ("**Itron**") and City of Tempe, AZ ("**Customer**"). Itron and Customer may each be referred to as a "**Party**" and together as the "**Parties**."

Customer shall execute this Agreement prior to its receipt of any Itron software, services or equipment by an authorized Itron distributor (each a "**Distributor**"). The terms of Customer's agreement with a Distributor shall govern Customer's purchase of Itron equipment or services from a Distributor (it being understood that Distributor will pass certain Itron warranties through to Customer). The terms of this Agreement shall govern (i) any software provided by Itron, regardless of whether the order for such software is placed with a Distributor or directly with Itron, and (ii) any order of equipment or services placed directly with Itron.

The Parties agree as follows:

### 1. Software Terms

#### a. Definitions.

"**Delivery**," with respect to Software, means that Itron has either made the Software available to Distributor via electronic means or has provided the Software to a carrier on physical media for delivery to Distributor.

"**Documentation**" means all printed or electronic materials published or otherwise that are provided to Customer and that describe or relate to the functional, operational or performance capabilities of the Software.

"**Endpoint**" means (i) a physical device (e.g., a meter, encoder-transmitter-receiver or other measuring or monitoring device) that is the source of data used in the Software application or (ii) a virtual device created in the Software application to simulate the existence of a physical device. An example of a virtual device that is an Endpoint would include a single electricity meter that serves 10 apartment units. If the consumption data from that electricity meter was divided between the 10 units (e.g., on the basis of square footage) and used in the Software application as if that single electricity meter was actually 10 electricity meters, it would count as 10 Endpoints. Further, each account, whether active or inactive, in the application that is associated with a single physical device counts as a separate Endpoint.

"**Object Code**" means the binary, machine-readable version of the Software.

"**Software**" means software identified on Attachment A that is owned by Itron and any modifications, corrections, improvements or enhancements thereto provided by Itron.

"**Source Code**" means human-readable computer programming code, associated procedural code and related documentation.

"**Specifications**" means the applicable published Itron functional specifications for an item of Software.

"**Third Party Software**" means software that is not owned by Itron but is identified on Attachment A as being provided by Itron.

"**Use**" means the ability to run, execute, display and, subject to the restrictions described below, duplicate and distribute internally.

"**Warranty Period**," with respect to a particular item of Software, means the warranty term beginning on the warranty start date, as set forth on Attachment A.

#### b. License Grant.

Subject to the terms of this Agreement, Itron grants to Customer a nonexclusive, nontransferable, perpetual Object Code license to Use the Software and Documentation for its internal business purposes only in connection with the number of Endpoints set forth in Attachment A.

#### c. Right Grant License.

Itron shall have all right, title, and interest to Software licensed to Customer; Itron shall have the right to sublicense any Third Party Software licensed to Customer under this Agreement.

#### d. Restrictions.

As a condition to the foregoing license grant, Customer shall not (i) violate any restriction set forth on Attachment A, (ii) modify or create any derivative work from the Software, (iii) include the Software in any other software, (iv) use the Software to provide processing services to third parties or on a service bureau basis, (v) reverse assemble, decompile, reverse engineer or otherwise attempt to derive Source Code (of the underlying ideas, algorithms, structure or organization) from Software, or (vi) use the Software to process business information concerning customers derived through merger, asset acquisition or other entity combination, except with Itron's prior consent which shall not be unreasonably withheld. Except as expressly permitted in this Agreement, Customer may not copy the Software other than to make one machine readable copy for disaster recovery or archival purposes. Customer may only make copies of Documentation as reasonably necessary for the use contemplated herein. The Software and Documentation shall be considered the confidential information of Itron and, as such, shall be subject to the confidentiality provisions of this Agreement.

#### e. Invoicing.

Distributor will directly invoice Customer for the Software license fees

#### f. Limited Software Warranty

##### i. Warranty and Remedy.

Itron warrants that the Software, for a period of one (1) year from the date of acceptance of such Software by Customer, shall be free from material defects is properly designed, operable and equipped in strict conformity with the Specifications. Itron's sole obligation and Customer's exclusive remedy in connection with the breach of a warranty provided under this Section shall be for Itron to repair or replace

the non-conforming Software. If Itron, in its sole discretion, is unable to repair or replace non-conforming Software, Itron will refund to Customer the amount paid for such Software. Software that is repaired or replaced pursuant to this Section will be warranted for the remainder of the original warranty period or 30 days, whichever is longer. Customer's license to Software for which it has received a refund hereunder shall terminate upon its receipt of a refund.

ii. **Exclusions.**

The warranty provided in this Section shall not apply to the extent that non-compliance relates to or is the result of (i) use of the Software in combination with software, equipment or communications networks not provided by Itron, (ii) a change to the Software's operating environment not made or authorized by Itron, (iii) Customer's failure to install any correction or enhancement provided by Itron, (iv) viruses introduced through no fault of Itron, (v) any use of the Software not authorized by this Agreement. The warranty provided in this Section is valid only if Customer has complied with the terms of this Agreement (including paying the applicable Software license fees) and shall be void to the extent of any modification to the Software not authorized by Itron.

g. **Third Party Software and Documentation.**

Itron shall provide the Third Party Software, if any, identified on Attachment A and any related documentation. Any Third Party Software, and related documentation provided by Itron in connection with this Agreement shall be subject to a separate license agreement between the Customer and the third party software provider and will be subject to separate third party warranties, if any. Customer agrees that it will be bound by and will abide by all such third party software licensing arrangements. Customer is solely responsible for acquiring any software that is required to use the Software or Third Party Software.

h. **Audit.**

Customer will maintain accurate and detailed records as necessary to verify compliance with this Agreement. Itron may audit these records to verify compliance at any time during Customer's regular business hours after giving notice 5 business days in advance of the audit. Except as described below, Itron will bear all costs and expenses associated with the exercise of its audit rights. Any errors in payments identified will be corrected by Customer by appropriate adjustment.

i. **Other Provisions.**

Customer shall not, directly or indirectly, export or transmit the Software to any country to which such export or transmission is prohibited by any applicable regulation or statute. The Parties agree that Software provided under this Agreement shall be deemed to be "goods" within the meaning of Article 2 of the Uniform Commercial Code, except when such a practice would cause an unreasonable result. The Parties agree that the Uniform Computer Information Transaction Act (or a version thereof or substantially similar law) shall not govern this Agreement.

**2. Maintenance & Support Services Terms**

Itron will provide maintenance and support services for equipment and software (as applicable) under the Supplemental Maintenance & Support Services Terms attached hereto as Attachment D.

**3. Cloud Services & Managed Service Terms**

Itron will provide Cloud Services and Managed Services under the Supplemental Cloud Services and Supplemental Managed Services Terms attached hereto as Attachments B & C.

**4. Payment Terms and Taxes; Invoices.**

a. **Payment.** The following terms shall apply to any equipment, services or software purchased by Customer directly from Itron. For invoices not paid within 30 days of the invoice date. . No endorsement or statement on any check or payment or in any letter accompanying a check or payment or elsewhere shall be construed as an accord or satisfaction. Unless otherwise indicated on Attachment E, Customer shall pay all amounts owing under this Agreement in U.S. Dollars.

b. **Taxes.** The prices set forth on Attachment E do not include taxes. Customer will be responsible for and pay all applicable sales, use, excise, value-added and other taxes associated with the provision of products or services by Itron, excluding taxes on Itron's income generally. If Customer is a tax exempt entity, or pays taxes directly to the state, Customer will provide Itron with a copy of its Tax Exemption Certificate or Direct Pay Permit, as applicable, upon execution of this Agreement.

c. **Invoices.** All invoices submitted by Itron for Customer's review and approval shall be in itemized form to identify the specific item(s) and/or services being billed.

**5. Changes.**

a. **Request.**

Customer may at any time, and from time to time, propose changes to services or services deliverables or request that Itron perform additional services for Customer (each a "**Change Request**"). Within five (5) business days of receipt of Change Request, Itron will provide Customer with a preliminary assessment of expected impact of the Change Request on any services or services deliverables being provided at the time of the Change Request and notify the City whether additional time is required to provide a more definitive response – which will depend upon the nature and scope of the Change Request. Itron's definitive response shall be in the form of a statement of work to Customer that: (i) if applicable, assesses the expected impact of the Change Request on any services or services deliverables being provided at the time of the request; (ii) defines and describes how Itron would fulfill or satisfy the Change Request, and describes any additional services or services deliverables to be provided by Itron in reasonable detail; (iii) sets forth pricing, specifications, implementation plans and time schedules, with appropriate milestone and completion dates, anticipated by Itron in

connection with fulfilling the Change Request; (iv) contains proposed completion and acceptance criteria; and (v) sets forth any other information required by this Agreement and any Technology & Services Addendum.

*b. Response.*

If Itron timely submits a response to the Change Request, the Parties will attempt in good faith to negotiate a mutually acceptable resolution. Mutually agreed upon Change Requests will take the form of a written order (each a "**Change Order**"). Following the issuance of any Change Request and during any negotiation, Itron will continue to provide the services and services deliverables, unless otherwise agreed to by Itron and Customer in writing.

*c. Failure to Respond to Change Request.*

If Itron fails to respond to Customer's Change Request within five (5) business days, the Change Request will be deemed to be rejected.

*d. Authorized Approvals.*

No Change Order will be binding upon Customer or Itron unless executed and delivered by an authorized signatory of both parties. All Change Orders and all statements of work under a Change Order will be governed by the terms and conditions of this Agreement and the applicable Technology & Services Addendum.

**6. Confidentiality.**

With respect to any information supplied in connection with this Agreement and designated by either Party as confidential, or which the recipient should reasonably believe to be confidential based on its subject matter or the circumstances, the recipient agrees to protect the confidential information in a reasonable and appropriate manner, and to use and reproduce the confidential information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose. The obligations in this Section will not apply to information that is: (i) publicly known; (ii) already known to the recipient; (iii) lawfully disclosed by a third party; (iv) independently developed; or (v) disclosed pursuant to a legal requirement or order. The recipient may disclose the confidential information on a need-to-know basis to its contractor's, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms. The parties acknowledge and agree that any software provided by Itron in connection with this Agreement shall be considered the confidential information of Itron.

**7. IP Ownership**

Between Itron and Customer, all patents, copyrights, mask works, trade secrets, trademarks and other proprietary rights in or related to any product, software or deliverable provided by Itron pursuant to this Agreement (Itron's "Intellectual Property Rights") are and will remain the exclusive property of Itron. Any modification or improvement to an Itron product or deliverable that is based on Customer's feedback shall be the exclusive property of Itron. Customer will not take any action that jeopardizes Itron's Intellectual Property Rights nor will it acquire any right in any such product, software or deliverable or Itron's confidential information other than rights granted in this Agreement.

**8. Insurance.**

During the term of this Agreement, Itron will maintain the following minimum levels of insurance (i) workers' compensation insurance for Itron employees equal to applicable statutory limits and an employer's liability policy in an amount not less than \$1,000,000.00; (ii) an occurrence form commercial general liability policy or policies in an amount not less than \$1,000,000 per occurrence and \$2,000,000.00 aggregate; (iii) an automobile liability policy or policies in an amount not less than \$1,000,000.00 combined single limit; and (iv) a professional liability policy or policies insuring against liability for errors and omissions covering professional activities contemplated under this Agreement in an amount not less than \$1,000,000.00. Upon written request, Itron will provide Certificates of Insurance evidencing the coverage described in this Section.

**9. Indemnification.**

*a. General.*

To the fullest extent permitted by law, Itron shall defend, indemnify and hold harmless the City, its agents, officer, officials, and employees from and against all third-party claims, damages, losses and expenses (including but not limited to attorney's fees, court costs, and the costs of appellate proceedings), arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work, services, or professional services of Itron, its agents, employees, or any other person (not the City) for whose acts, errors, mistakes, omissions, work, services, or professional services Itron may be legally liable in the performance of this Contract. Itron's duty to hold harmless and indemnify the City, its agents, officers, officials and employees shall arise in connection with any third-party claim for damage, loss or expenses that is attributable to bodily injury, sickness disease, death, or injury to, impairment, or destruction of any person or property, including loss of use resulting from, caused by any acts, errors, mistakes, omissions, work, services, or professional services in the performance of this Contract by Itron or any employee of Itron or any other person (not the City) for whose acts, errors, mistakes, omissions, work, or services Itron may be legally liable. The amount and type of insurance coverage requirement set forth herein will in no way be construed as limiting the scope of indemnity in this paragraph. This provision shall survive the term of this Agreement.

*b. Infringement Indemnity.*

Itron will defend at its own expense any action brought against Customer by an unaffiliated third party to the extent that the action is based upon a claim that any product manufactured, software licensed or service provided by Itron hereunder directly infringes any U.S. patent (issued as of the Effective Date) or any copyright or trademark, and Itron will pay those costs and damages awarded against Customer in any such action that are specifically attributable to such claim or those costs and damages agreed to by Itron in a monetary settlement of such action. The foregoing indemnity does not apply to products not manufactured by Itron or software licensed by third parties.

*c. Conditions to Infringement Indemnity.*

Itron's infringement indemnity obligations under this Section are conditioned on Customer's agreement that if the applicable product or service, becomes, or in Itron's opinion is likely to become, the subject of such a claim, Customer will permit Itron, at Itron's option and expense, either to procure the right for Customer to continue using the affected product or service or to replace or modify the same so that it becomes non-infringing. Such replacements or modifications will be functionally equivalent to the replaced product or service. If the foregoing alternatives are not available on terms that are reasonable in Itron's judgment, Itron shall have the right to require Customer to cease using the affected product or service in which case Itron will refund to Customer the depreciated value of the affected product or service.

*d. Exclusions.*

Itron shall have no obligation under this Agreement to the extent any claim of infringement or misappropriation results from: (i) use of a product or service, other than as permitted under this Agreement or as intended by Itron, if the infringement would not have occurred but for such use; (ii) use of any product or service in combination with any other product, equipment, software or data, if the infringement would not have occurred but for such combination; (iii) any use of any release of a software or any firmware other than the most current release made available to Customer, (iv) any claim based on Customer's use of a product after Itron has informed Customer of modifications or changes to the product required to avoid such claims and offered to implement those modification or changes, if such claim would have been avoided or mitigated by the implementation of Itron's suggestions, (v) any modification to a product made by a person other than Itron or an authorized representative of Itron, or (vi) compliance by Itron with specifications or instructions supplied by Customer. Itron shall not be liable hereunder for enhanced or punitive damages that could have been avoided or reduced by actions within the control of Customer.

**10. Warranty Disclaimer.**

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ITRON DISCLAIMS ALL EXPRESSED OR IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS INCLUDING, WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND (II) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESSED WARRANTY PERIOD.

**11. WAIVER OF CONSEQUENTIAL DAMAGES.**

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR COVER OR FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL (INCLUDING LOSS OR CORRUPTION OF DATA OR LOSS OF REVENUE, SAVINGS OR PROFITS) OR EXEMPLARY DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

**12. CAP ON LIABILITY.**

THE AGGREGATE LIABILITY OF EACH PARTY AND ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES OR OTHER REPRESENTATIVES, ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT—WHETHER UNDER CONTRACT LAW, TORT LAW, WARRANTY OR OTHERWISE—SHALL NOT EXCEED 100% OF THE TOTAL AMOUNT PAID IN THE TWO (2) YEARS PRECEDING A CLAIM. ITRON SHALL NOT BE LIABLE FOR ANY CLAIM MADE THE SUBJECT OF A LEGAL PROCEEDING MORE THAN FOUR (4) YEARS AFTER THE CAUSE OF ACTION ASSERTED IN SUCH CLAIM AROSE. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

**13. Term and Termination**

*a. Term of Agreement.*

The term of this Agreement shall commence on the date of award and shall continue for a period of four (4) years. This Agreement is non-transferable and cannot be assigned by the contractor without the approval of the City Procurement Office, and then only when all prices, discounts, terms and conditions of the original proposal documents and contract award remain unchanged.

*b. Contract Renewal.*

Customer reserves the right to unilaterally extend the period of the Term of this Agreement for ninety (90) days beyond the stated expiration date. In addition, the City at its option may renew for supplemental terms of up to a maximum of up to (10) additional years (i.e., 14 years in total, including the initial 4-year term). Such increment shall not be for more than a period of two (2) year each, unless the City is eligible to obtain a significant cost and/or supply advantage by a longer Contract renewal period. Renewals after the third (3<sup>rd</sup>) two-year renewal (i.e., after 10 years in total, including the 4-year initial term) are subject to agreement between Itron and Customer on

pricing; any pricing increase for years eleven (11) through fourteen (14) shall not exceed 2% of the pricing for the then-current year, and any pricing increase for years beyond fourteen shall not exceed 4% of the pricing for the then-current year.

c. *Termination for Cause; Obligations upon Termination for Cause.*

1. *Termination for Cause.* Either Party may terminate this Agreement by providing the other Party with written notice if the other Party (i) becomes insolvent, executes a general assignment for the benefit of creditors or becomes subject to bankruptcy or receivership proceedings; (ii) breaches its obligations related to the other Party's confidential information; or (iii) commits a material breach of this Agreement, the Distributor/Customer agreement or the Distributor/Itron agreement that remains uncured for 30 days following delivery of written notice of such breach (including, but not necessarily limited to, a statement of the facts relating to the breach or default, the provisions of this Agreement that are in breach or default and the action required to cure the breach or default).

2. *Obligations upon Termination for Cause.* Upon a termination by Itron for cause, Customer's license to any Software and right to receive maintenance and support for such Software shall immediately terminate and Customer shall (i) delete any Software from all of its computers, (ii) immediately deliver to Itron or destroy all copies of such Software and any related Documentation and (iii) certify in writing to Itron within 10 days of any such termination that, to the best of Customer's knowledge, Customer has complied with this Section.

d. *Survival.*

Any provision of this Agreement that contemplates performance or observance subsequent to termination or expiration of this Agreement shall survive termination or expiration and continue in full force and effect for the period so contemplated including, but not limited to, provisions relating to warranties and warranty disclaimers, intellectual property ownership, payment terms, confidentiality, waiver of consequential damages, and cap on liability.

14. **[Reserved]**

15. **Cancellation of Contract due to Conflict of Interest.**

Nothing in Section 12 prohibits Customer from Terminating this Agreement as allowed under A.R.S. § 38-511.

16. **Miscellaneous**

a. *Specially Designated Nationals and Blocked Persons List.* Contractor represents and warrants to the City that neither Contractor nor any affiliate or representative of Contractor:

1. Is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury (OFAC) pursuant to Executive Order no. 13224, 66 Fed. Reg. 49079 ("Order");
2. Is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other related Order(s);
3. Is engaged in activities prohibited in the Order; or,
4. Has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

b. *Unauthorized Firearms & Explosives.*

No person conducting business on City property is to carry a firearm or explosive of any type. All Offerors, Contractors and subcontractors shall honor this requirement at all times and failure to honor this requirement shall result in Contract termination and additional penalties. This requirement also applies to any and all persons, including those who maintain a concealed weapons permit. In addition to Contract termination, anyone carrying a firearm or explosive device will be subject to further legal action.

c. *Entire Agreement.*

This Agreement and any attachments hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements pertaining to such subject matter. All prior agreements, representations, warranties, statements, negotiations, understandings, and undertakings are superseded hereby and Customer represents and acknowledges that it has not relied on any representation or warranty other than those explicitly set forth in this Agreement in connection with its execution of this Agreement. Neither Party shall be bound by terms and conditions imprinted on or embedded in purchase orders, order acknowledgments, statements of work not attached hereto or other communications between the Parties subsequent to the execution of this Agreement.

d. *Amendments and Waivers.*

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only by a writing signed by an authorized representative of each Party and declared to be an amendment hereto. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

e. *Governing Law; Venue; Jury Trial.*

This Agreement and performance hereunder will be governed by and construed in accordance with the laws of the State of Arizona without reference to Arizona conflicts of law principles or the United Nations Convention on Contracts for the Sale of Goods. Venue shall be in a state or federal court of general jurisdiction located in Maricopa County, Arizona.

f. *Dispute Resolution.*

This Agreement is subject to arbitration to the extent required by law. If arbitration is not required by law, Itron and Customer agree to negotiate with each other in good faith to resolve any disputes arising out of the Agreement prior to commencing litigation. In the event of any legal action or proceeding arising out of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred with said fees and costs to be included in any judgment rendered.

g. *Assignment.*

Customer may not assign or transfer its interests, rights or obligations under this Agreement by written agreement, merger, consolidation, operation of law or otherwise without the prior written consent of an authorized executive officer of Itron. Any attempt to assign this Agreement by Customer shall be null and void. For purposes of this Agreement, the acquisition of an equity interest in Customer of greater than 25 percent by any third party shall be considered an assignment. Itron may not assign this Agreement without prior consent of Customer, which consent will not be unreasonably withheld except that Itron may assign this Agreement to an Itron Affiliate without consent of Customer.

h. *Publicity.*

Unless otherwise provided in a separate confidentiality agreement between the Parties, each Party may issue a press release following the execution of this Agreement, subject to the other Party's written approval, which shall not be unreasonably withheld. Each Party hereby consents to the other Party's use of its name, URL and logo on its website and in its customer and partner lists for corporate and financial presentations.

i. *Force Majeure.*

1. Except for payment of sums due, neither Party shall be liable to the other nor deemed in default under this Agreement only in the event that and to the extent that such Party's performance of this Agreement is prevented by reason of force majeure. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions, failures or refusal to act by government authority, and other similar occurrences beyond the control of the Party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

2. Force majeure shall not include the following occurrences:

- A) Late delivery of equipment or materials caused by congestion at a manufacturer's plant
- B) Late performance by a subcontractor.

3. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours of the commencement thereof and shall specify the causes of such delay in the notice. Such notice shall be hand delivered or sent via certified mail and shall make a specific reference to this clause, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing by hand delivery or certified mail when it has done so. The time of completion shall be extended by Contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with the Contract.

4. Notwithstanding the foregoing, no obligation to make any payment required under this Agreement is excused as a result of a Force Majeure Event.

j. *Notices.*

Any notice required or permitted under this Agreement or required by law must be in writing and must be delivered in person, by facsimile, by certified mail (return receipt requested), or by a nationally recognized overnight service with all freight charges prepaid, to the address set forth below. Notices will be deemed to have been given at the time of actual delivery, if in person, or upon receipt (as evidenced by facsimile confirmation, return receipt or overnight delivery verification). Either Party may change its address for notices by written notice to the other Party in accordance with this Section.

Itron: Attn: General Counsel  
Itron, Inc.  
2111 North Molter Road  
Liberty Lake, WA 99019

Customer: City of Tempe  
Procurement Division  
20 East 5<sup>th</sup> Street, Second Floor  
Tempe, Arizona 85281

k. *Miscellaneous.*

Headings used in this Agreement are intended for convenience or reference only and will not control or affect the meaning or construction of any provision of this Agreement. If any provision in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will in no way be affected or impaired thereby and such provision shall be interpreted so as to best accomplish the intent of the Parties within the limits of applicable law. Any principle of construction or rule of law that provides that an agreement shall be construed against the drafter of the agreement shall not apply to the terms and conditions of this Agreement. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. If available, maintenance and support for products will be provided pursuant to a separate maintenance agreement. Itron shall perform all work to be performed in connection with this Agreement as an independent contractor and not as the agent or employee of Customer. All persons furnished by Itron shall be for all purposes solely Itron's employees or agents and shall not be deemed to be employees of Customer for any purpose whatsoever. This

Agreement is entered into only for the benefit of Customer and Itron. No other person or entity shall have the right to make any claim or assert any right hereunder, and no other person or entity shall be deemed a beneficiary of this Agreement.

ATTACHMENTS

The following documents are attached to and made a part of this Agreement:

- Attachment A – Software Schedule
- Attachment B – Supplemental Cloud Services Terms (Software-as-a-Service)
- Attachment C – Supplemental Managed Services Terms (In-Field Network Maintenance)
- Attachment D – Supplemental Maintenance & Support Services Terms
- Attachment E – Supplemental Installation/Implementation Services Terms
- Attachment F – Additional Cloud Services Requirements
- Attachment G – Pricing Summary

[Signature Page Follows]

**SIGNATURE PAGE  
TO  
INDIRECT SALES AGREEMENT**

ITRON, INC.	CITY OF TEMPE, AZ
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By: Julie Schmidt  
Print: Julie Schmidt  
Title: Director, Finance  
Date: 6-20-16

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 06/23/2016

**ATTEST:**

By: \_\_\_\_\_  
Print: Brigitta M. Kuiper, City Clerk  
Date: 6/23/2016

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Print: Judith R. Baumann, City Attorney  
Date: 06/23/2016

Tax Exempt: \_\_\_\_\_ Yes/No (if Yes, attach copy of Tax Exemption Certificate)

**Attachment A**  
**Software Schedule**

Please check the type of Software being licensed or hosted (Itron Cloud Service) and enter the number of meters.

Software	Units	Warranty Start Date	Warranty Term	Itron Cloud Service
*MV-RS	Up to _____ Endpoints	Delivery	12 months from acceptance	N/A
Field Collection System Software	Up to 50,000 Endpoints	Delivery	12 months from acceptance	<input checked="" type="checkbox"/>
Network Software	Up to 44,000 Endpoints	Delivery	12 months from acceptance	<input checked="" type="checkbox"/>
Network Software – Outage Notification	Up to _____ Endpoints	Delivery	5 months	N/A
Itron Analytics	Up to 44,000 Endpoints	Delivery	5 months	<input checked="" type="checkbox"/>
Itron Analytics Customer Portal	Up to 44,000 Endpoints	Delivery	5 months	<input checked="" type="checkbox"/>
Itron Security Manager (ISM)	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
Field Deployment Manager (FDM)	Up to _____ Endpoints	Delivery	5 months	<input type="checkbox"/>
FDM – Endpoint Tools Enhanced	Up to 44,000 Endpoints	Delivery	12 months from acceptance	<input checked="" type="checkbox"/>
Mlogonline	Up to 44,000 Endpoints	Delivery	12 months from acceptance	<input checked="" type="checkbox"/>
Mobile Collector Software	[Up to _____ Endpoints]	Delivery	5 months	[N/A]

\*Customer receives 5 months of Phone Support at no charge for the MV-RS Product.

**Attachment B**  
**Supplemental Cloud Services Terms (Software-as-a-Service)**

1. **Scope.** This Attachment B sets forth the terms and conditions for Itron's Cloud Services.
2. **Subscription Service.** Cloud Services is offered as a monthly or annual subscription service. The subscription fee will be charged on the number of provisioned meters or endpoints. A minimum subscription fee may apply.
3. **Sizing.** The subscription fee for Cloud Services may be based on system Sizing Criteria; if so, the Sizing Criteria will be specified in the Service Level attachment to this Attachment B.
4. **No Contingency on Future Releases.** Customer acknowledges and agrees that its purchases under this Attachment B are neither contingent upon the delivery of any future functionality or features nor dependent on any oral or written public comments made by Itron regarding future functionality or features.
5. **Documentation.** Customer has the right to use and make a reasonable number of copies of the documentation solely for Customer's internal business purposes during the service term. Documentation will be made available to Customer by download.
6. **Reservation of Proprietary Rights by Itron.** Itron retains all right, title, and interest to and control, operation, and maintenance of all Itron network equipment, hardware, infrastructure, servers, platforms, and the like supporting its Cloud Services.
7. **Certain Restrictions on Customer and Conditions on Use of Services**
  - 7.1. **Restrictions.** Customer shall not: (a) remove or modify any program markings or any notice of Itron's or its licensors' proprietary and intellectual property rights; (b) make the programs or materials resulting from the Cloud Services available in any manner to any third-party for use in the third-party's business operations; (c) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the Cloud Services (the foregoing prohibition includes but is not limited to Itron data inputs, Itron system data exports, Itron database schema, and data structures), or access or use the Cloud Services in order to build or support, and/or assist a third-party in building or supporting, products or services competitive to Itron; (d) and (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the Cloud Services available, to any third-party other than, as expressly permitted under the terms the Agreement; (e) use the Cloud Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights; (f) use the Cloud Services to store or transmit malicious code; (g) interfere with or disrupt the integrity or performance of the Cloud Services or third-party data contained therein; (h) attempt to gain unauthorized access to the Cloud Services or their related systems or networks.
  - 7.2. **Conditions.** The rights granted to Customer under this this Attachment B are also conditioned on the following: (a) the rights of any user licensed to use the Cloud Services (e.g., on a "named user" basis) cannot be shared or used by more than one individual (unless such license is reassigned in its entirety to another authorized user, in which case the prior authorized user shall no longer have any right to access or use the license); (b) except as expressly provided herein, no part of the Cloud Services may be copied, reproduced, distributed, republished, downloaded, displayed, posted or transmitted in any form or by any means, including but not limited to electronic, mechanical, photocopying, recording, or other means; (c) Customer agrees to make every reasonable effort to prevent unauthorized third-parties from accessing the Cloud Services; and (d) Customer agrees to use of the Cloud Services only in accordance with the this Cloud Services Addendum, user guide, and applicable laws and government regulations.
8. **Service Levels & Reporting.**
  - 8.1. **Service Levels.** Itron will use commercially reasonable efforts to provide the Cloud Services to the Service Levels described in the Service Level attachment to this Attachment B, Section 4.2 ("Application Availability Performance Metric").
  - 8.2. **Service Level Reporting.** Itron will provide monthly Service Level reports to Customer showing actual performance against Service Levels. Any disagreement between the Parties as to performance against Services Levels will be escalated first to Itron's account manager for Customer and to Customer's project manager, before proceeding under the dispute resolution procedures of the Agreement.
9. **Location of Services.** Unless otherwise agreed to in writing between Itron and Customer in advance, Itron will provide the Cloud Services hereunder from Itron locations within the United States.

**10. Technical Support Services.** Itron will make available technical representatives with the answer Customer questions related to the use of Cloud Services, including assisting Customer with problems it may experience with using the Cloud Services, and offering recommendations to Customer for fully utilizing the Cloud Services. Training and professional services are not within the scope of technical support services.

**11. Training.** Customer may purchase training services for the Cloud Services at Itron's then-current training rate.

**12. Customer Technical Responsibilities.** Customer shall be responsible for selecting, acquiring, paying for, securing and maintaining any equipment and ancillary services needed to connect to, access, or otherwise use the Cloud Services, including for example – and without limitation – modems, hardware, servers, software, operating systems, networking equipment, web servers, and communication services. Customer shall at all times during the Cloud Services Term be responsible for ensuring compatibility with the Cloud Services at Customer's sole expense.

**13. User Identifications and Passwords.** Itron shall provide Customer with user identifications and passwords ("User IDs") to access the Cloud Services. Customer shall be solely responsible for all use of its Customer subscriptions and accounts. Customers shall maintain the confidentiality of all User IDs assigned to it. User IDs may not be shared or used by more than one user.

**14. [Reserved]**

**15. Privacy.**

*a. General.*

If, in the course of providing any services, Itron has or obtains, to any extent and for any reason, any access to Customer Data, then the terms and conditions of this Section will apply.

*b. Definition of Customer Data.*

"Customer Data" means any information about Customer's existing or prospective customers that Itron acquires, develops, or derives under this Agreement. Customer Data may include, without limitation, any personally identifying information relating to an existing or prospective customer, or any other information that, either individually or when combined with other information could be used to derive information specific to a particular customer or prospective customer, which information is not generally available to the public and which Itron acquires or derives in carrying out its obligations under this Agreement. Customer Data includes, but is not limited to, information regarding a User's identity social security number, telephone number, credit card number, e-mail address, account information, service purchase and usage information.

*c. Use of Customer Data.*

Itron may only collect, access, use, maintain, or disclose Customer Data to fulfill its obligations under this Agreement. Customer exclusively owns all Customer Data and Itron agrees to return, or at the election of Customer, destroy (and confirm in writing the destruction) all Customer Data upon the termination or expiration of this Agreement, or earlier if requested to do so in writing by Customer.

*d. Reservation of Rights to Customer.*

Subject to the limited rights granted by Customer hereunder, Itron acquires no right, title or interest from Customer or its licensors under this Agreement in or to Customer Data, including any Intellectual Property rights (defined below) in that Customer Data.

*e. Customer Access to Customer Data.*

Customer will have read/write access to Customer Data.

*f. Safeguards.*

Itron will employ administrative, physical, and technical safeguards that are reasonably designed to prevent unauthorized collection, access, disclosure, and use of Customer Data while in its custody ("Safeguards"). The Safeguards Itron employs must: (1) meet, at a minimum, industry practice; and (2) be reasonably designed to ensure that only Itron personnel with a need to know the Customer Data have access to it. Itron will promptly notify Customer of any known breach of any Safeguards, and Itron and Customer will cooperate to investigate and remedy any such breach and any related dispute, inquiry, or claim.

**16. Data.**

*a. Access to Data*

All data contained within or generated by the Metering System shall be considered the property of the Customer, and shall remain directly accessible to the Utility at all times with no additional charge. At minimum, read-only accounts to all system databases shall be provided to the Utility, and the Company shall maintain firewall rules to allow for direct external connection to the databases via the host addresses and network ports defined by the Company. Support for

whitelisting of IP addresses shall be optional, and at the discretion of the Utility. Remote database connections shall not be subject to record limits or overly restrictive timeouts that would render such connections ineffective.

b. *Database Configuration.*

Company shall supply the Utility with data diagrams and schemas for each database to facilitate the Customer's ability to analyze and retrieve custom datasets from the system.

c. *Customer Responsibilities.*

Customer shall have sole responsibility at all times during the Cloud Services term for the accuracy, quality and legality of all Customer Data used with and by the Cloud Services. In addition, Customer shall at all times during the Cloud Services term be responsible for maintaining the confidentiality of all such Customer Data under its control. Customer acknowledges and agrees that Customer has implemented best practices within its industry to safeguard the security and privacy of Customer Data and in compliance with legal and regulatory requirements in the jurisdictions in which it operates and that Customer will continue to do so throughout the Cloud Services term. During the Cloud Services term, Customer will notify Itron of any breach of Customer Data and of any breach of Customer's security safeguards affecting or potentially affecting the confidentiality, privacy, or security of Customer's Customer Data used in connection with or by the Cloud Services.

d. *Customer Warranty.*

Customer represents and warrants that it is not aware of any copyright, patent, other intellectual property right infringed by the Customer Data, Itron may take any remedial action at its sole discretion to address any violation of this warranty, but is under no obligation to review Customer Data for accuracy, legality or potential liability, or otherwise take any action with regard to Customer Data under Customer's control.

## 17. Security.

With respect to Customer Data that Itron may have access to, transport, process, or use in providing Cloud Services to Customer, Itron shall maintain a formal security program during the Cloud Services term in accordance with Itron policies designed to: (i) protect the security and integrity of Customer Data; (ii) protect against threats or hazards to the security of the Cloud Services, and to (iii) prevent unauthorized access to the Cloud Services by third-parties and Itron personnel. It is both Itron's and Customer's obligation and responsibility to ensure that Customer's use of Cloud Services comply with any and all laws and regulations governing the privacy and security of Customer Data.

## 18. Suspension or Restriction of Service; Maintenance.

**18.1. Service Suspension or Restriction.** To protect the integrity and functionality of the Cloud Services for the benefit of all Itron users and customers, Itron may suspend or restrict all or part of the Cloud Services at any time until further notice to the Customer and provide notice of such suspension or restriction to Customer as soon as reasonably practicable if (i) the provision of the Cloud Services would cause Itron to be in breach of any applicable law; or (ii) Itron reasonably determines that the Cloud Services must be suspended in order for Itron to (a) carry out planned maintenance, repair or upgrading of any equipment or facility forming part of the Cloud Services, on at least ten (10) days' notice; or (b) carry out unplanned maintenance, repair or upgrading of any equipment or facility forming part of the Cloud Services with as much notice as is reasonably practicable; or (c) prevent material harm to the Cloud Services arising from any activity originating from or through Customer's use of the Cloud Services that could disrupt the use of or interfere with the ability of others to effectively use the Cloud Services or any connected network, system, service, or equipment, including without limitation, Customer's noncompliance with this Cloud Services Addendum.

**18.2. Planned Maintenance.** Planned maintenance whenever reasonably practicable will be performed during off-business hours between 12:00 p.m. to 6:00 a.m., with as little disruption to Customer's use of the Cloud Services as possible, and unplanned maintenance, whenever reasonably practicable, shall also be performed during off-business hours between 6:00 p.m. and 6:00 a.m.

**18.3. Minimum Disruption.** If the Cloud Services is suspended or restricted, Itron will where practicable provide Customer with prior notice of anticipated suspensions or restrictions, and in all events, Itron will use reasonable efforts to ensure that there is minimum disruption to the Cloud Services and shall use its commercially reasonable efforts to alleviate the condition and reinstate Cloud Services within 48 hours – and time in excess of 48 hours will count against Service Levels stated in Section 4.2 of the Service Level attachment. However, if Itron reasonably determines that such action was necessitated by Customer's fault or breach, and such fault or breach represents an uncureable, continuing and material risk to the integrity of the Cloud Services, then Itron may permanently suspend or restrict all or part of the Cloud Services and provide notice of same to Customer as soon as reasonably practicable. Without limiting the exclusions or limitations of liability in the Agreement, Itron shall not be liable to Customer or to any third person for any loss resulting from or in connection with a suspension, withdrawal or restriction of the Cloud Services under this Section. The exercise of the Itron's right to suspend the Cloud Services under this Section is without prejudice to any other

remedy available to Itron under this This Attachment B and the Agreement and does not constitute a waiver of Itron's right to terminate this Cloud Services Addendum.

***[Service Level Attachment Follows]***

**Service Level Attachment for Cloud Services**

**1. System Sizing Criteria.**

<b>Sizing Criteria</b>	<b>Design Value</b>
Itron Solution Application(s) (name)	Fixed Network, Itron Analytics, IA Portal
System Endpoints (#)	Anticipated 5,000 Endpoints in Year 1; Anticipated 18,000 Endpoints in Year 2; Anticipated and up to 44,000 Endpoints in Year 3.
System Collectors (#)	12 or as required to meet 2:1 redundancy
System Repeaters or Range Extenders (#)	38 or as required to meet 2:1 redundancy
Residential Meter configuration (#)	1 Registers, 1 Channels
C&I Meter Configuration (#)	2 Registers, 2 Channels
Interval Data (#)	44,000 endpoints at 60 minute intervals
Historical Data (#)	No to exceed 400 days for Fixed Network Production System No to exceed 5 years for Itron Analytics Production System
Portal Concurrent Users (#)	Not to exceed 50 End Users
Total accounts Portal (#)	Not to exceed 33,000 End Users

Sizing Criteria is a baseline assumption of the scope of Cloud Services agreed to by Customer and Itron – and upon which the agreed-upon pricing is dependent. Modifications to Sizing Criteria may require an amendment to the pricing summary. If Customer desires to increase subscriptions, Customer will be required to issue an additional purchase order. Additional fees will be required for exceeding the specified endpoint count, in accordance with Itron's then current price list.

**2. Operations Monitoring.** Tier One Operator is onsite at Data Center 24 by 7 monitoring production systems.

**3. Performance Level Reporting.** Performance Level reporting will be made available to the customer monthly and include the following:

- Application Availability
- System Changes and Updates that require Change Control Board authorization
- Incident reporting including root cause analysis, resolution and preventive measures

**4. Application Availability Service Level.**

**4.1. Definition of Application Availability.** "Application Availability" is a measure of the extent to which Cloud Services is operational, functional and usable.

**4.2. Application Availability Performance Metric.**

Application	Production Performance Level
All applications for which Cloud Services is provided (See Section 1, System Sizing Criteria).	99.5%

The Contractor is responsible for maintaining system availability, and shall issue the Customer a credit on service costs in accordance with the monthly system availability as outlined in the table below. Availability is defined as having full functionality and accessibility to all advertised system features.

System Availability	Service Credit
At or above 98%	0%
97.99-97%	5%
96.99-96%	10%
95.99-95%	15%
94.99-94%	20%
Below 94%	30%

Credits shall be applied against the Customer's balance at the start of the next month provided that service is continued. In the event that service is discontinued, the Contractor shall issue the Customer a refund in place of the accrued credit if requested by Customer.

**4.3. Application Availability Performance Formula.** Application Availability in the live production-level environment is measured daily. Application Availability equals the hours Itron's Cloud Services platform is available divided by 24 hours.

**4.4 Exclusions.** The calculation of Application Availability shall not include causes beyond Itron's reasonable control, such as: scheduled maintenance periods, unscheduled emergency maintenance, incident investigations (e.g. accidents or other investigations that prohibit Customer or Itron in performing tasks to remedy any errors), outage time caused by declarations of force majeure, internet network delays or failures (including the restricted or denied access attributable to Customer's internet service provider), telecommunications or network delays or failures, computer failures that could not reasonably have been prevented by Itron, or acts of vandalism (such as network intrusions and denial of service attacks).

**5. Performance Services Level Remedy.**

**5.1 Corrective Action.** In the event that Itron fails to meet the Application Availability Service Level in any given month, Itron's sole obligation is to (1) provide Customer Service Credits under Section 4.2, (2) provide Customer with an incident report, and (3) bring the Cloud Services into compliance with the Application Availability Service Level by the conclusion of the next measurement month.

**5.2 Termination Option: Three Consecutive Failures.** In the event Itron does not meet the Application Availability Service Level for three consecutive months, the Customer may terminate its Cloud Services subscription upon seven (7) days' prior written notice to Itron without any liability whatsoever, or be reimbursed for 6 months of services subscriptions fees.

**6. Business Continuity.**

Itron uses a fault tolerant architecture virtualized to providing high availability infrastructure maximizing system availability. Daily system and database backups are performed and stored on-site and at a secure off-site facility. System backups and snapshots are taken after any change to the system. Weekly backup written to removable media remain on site and are overwritten after seven days and then stored off-site for two weeks. Monthly backups are stored off site for 13 months. The system can be easily recovered from the backup in an event of a disaster.

Backup are handled and exchanged using a defined procedure and agreement with a storage partner. All outdated tapes and data are carefully disposed of according to our defined standard operating procedures. All incidents requiring system recovery will be required to adhere to the incident handling and Itron's Crisis Action Plan Standard Operating procedures.

Standard off-site recovery is included with each production system made available to Customer. Itron has access to recovery sites with qualified infrastructure services. Recovery off-site options for systems defined by the Customer as business critical are available and optional: business critical system recover point and recovery time objectives will be determined by the customer business requirements.

Itron will provide Customer a copy of Itron's business continuity and disaster recovery standard operating procedures.

Incident recovery performance Service Levels are defined in the following table:

Business Continuity and Recovery	Production Performance Recover Objectives after Identification of the incident.
On Site Recovery Time for restore from on-site backup (hours)	4
On Site Recovery Time for backup restore from Off-Site backup (hours)	12
On Site Recovery Time for hardware failure (hours)	12
Standard Off-Site Recovery for Application (business days)	15
Optional Off-Site Recovery for Application Critical to Customer business operations (TBD)	TBD (if this option is purchased by Customer)

## 7. Cloud Services Operational Tasks and Deliverables.

7.1. Daily Operations. Although Itron is responsible for providing Managed Services, daily operations, meter data collection activities, delivery of daily data export files, and event exception notification require that activities be performed by both Itron and Customer to ensure effective delivery of Managed Services. The table below lists the respective responsibilities of Customer and Itron for such daily activities.

P=Primary responsibility  
S=Support responsibility

Description of Service or Deliverable	Itron	Customer
Create, monitor, and manage interrogation schedules	P	
Ensure any input files are received and processed and output files are delivered to Customer by posting to a SFTP folder where it can be retrieved by the Customer as needed.	P	
Manage files on the SFTP server where any export files are delivered. If the SFTP server is Itron's, files should be downloaded nightly and files that have been successfully downloaded and processed are to be removed from the SFTP location within 7 days.	P	S
Perform read rate monitoring and reporting.	P	
Perform remote investigation of non-communicating electricity meters and coordinate field order with Customer as needed.	P	S

Perform scheduling of meter interrogations including file delivery and delivery of Data Collection Platform standard reports.	P	
Notify Itron in advance when additional Meters are planned to be installed. Perform Meter field maintenance; close work orders with Itron		P
Perform Meter repair, replacement, or relocation as required		P
Perform RMA, Processing, Tracking and Performance Reporting for Meters	P	P
Administration of the Managed Services platform applications to Service Levels	P	

7.2. Environment Management Tasks. In addition to the daily operational tasks identified above, Customer and Itron have responsibility for monitoring and managing the operating environment of the Managed Services platform and applications. The table below lists the respective responsibilities of Customer and Itron for such activities.

P=Primary responsibility  
S=Support responsibility

Description of Service or Deliverable	Itron	Customer
Submit user access requests for new users and deletion notifications for users no longer involved with the managed system.		P
Provide immediate notification in the event of an employee termination for those with access to the managed system.		P
Maintain skill sets necessary to properly support the require Managed Services platform technologies	P	
Maintain skill sets necessary to properly support the required Managed Services platform Field operations		P
Administer and monitor servers including but not limited to utilization of CPU, memory, IOPs, and disk space	P	
Manage and troubleshoot the secure network infrastructure components and processes (if applicable)	P	
Administer associated Linux, Unix, and Windows operating systems	P	
Apply Operating System and other 3rd party security patches and critical updates as appropriate	P	
Update security appliances (if applicable) with new meter related security files	P	
Maintain and troubleshoot third party software issues required for Managed Services platform operations, work with third party to troubleshoot as required	P	
Maintain anti-virus on all windows based servers	P	
Perform the initial Network Devices configuration	P	
Monitor meter communications and support metering and communications troubleshooting activities for the Managed Services platform	P	

Support solution upgrade activities	P	
Maintain and administer the Managed Services platform server databases	P	
Establish and manage the wireless backhaul contracts and accounts if applicable	P	
Support Customer's technical operations department to handle Network Devices field exceptions	P	
Manage system interfaces; work with Itron when problems are identified		P
Provide and maintain a Secure FTP.	P	
Perform regular system, database, and custom component backups in accordance with selected service level.	P	
Develop and Maintain related Standard Operating Procedures	P	
Apply Hot Fix updates as necessary and perform annual Managed Services platform upgrades with latest Managed Services platform software application general releases.	P	
Manage meter firmware revisions, including coordination and scheduling of firmware downloads as necessary	P	
Monitor meter communications reporting, and troubleshoot Managed Services platform issues as necessary	P	
Manage meter manufacturing and security files for all necessary solution components, troubleshoot and coordinate with manufacturing as needed	P	
Develop, maintain and utilize system operations clock, standard operations procedures, and daily checklists for Itron operators and administrators.	P	

**Attachment C**  
**Supplemental Managed Services Terms (In-Field Network Maintenance)**

**1. SCOPE**

This Attachment C describes the Managed Services to be provided by Itron, specifically In-Field Network Maintenance.

**2. SERVICE REQUESTS BY CUSTOMER**

**2.1 Initiation of Service Requests.** If the Customer suspects an Incident has occurred with respect to a Meter (Remote Monitored), the Customer may contact Itron's Technical Support Services to submit a Service Request. Itron will provide the Customer with instructions on how to contact Technical Support Services including hours of operation and the information that the Customer is required to provide. In addition to customer initiation of service requests, Itron is responsible in this Cloud Services agreement to provide network monitoring and outage notifications. In the event that Itron fails to do so within 24 hours of an event, a 5% Cloud Services credit will be applied for each event, with the exception of events outside Itron's control.

**3. ITRON IN-FIELD DEVICE EXCEPTION MANAGEMENT**

**3.1 Itron Error Registration Notice.** Itron will provide notice to the Customer of Fixed Network Application error registrations for in-field devices (i.e., for certain Objects of Service) identified in Attachment C-1.

**3.2 Itron In-Field Device Exception Management Service Levels.** Itron will in-field perform repair and replacement where errors cannot be resolved remotely, to Service Levels identified in Attachment C-2.

**4. IN-FIELD DEVICE MAINTENANCE**

The table below lists the respective responsibilities of the Customer and Itron to ensure the reliable operation and maintenance of the Objects of Service.

P=Primary responsibility  
S=Support responsibility

Description of service or deliverable	Itron	Customer
Perform CCU and Repeater Repair, Replacement, or relocation as necessary	P	
Perform endpoint Repair, Replacement, or relocation as necessary		P
Manage Customer owned stock of CCUs and Repeaters for field replacement purposes.. This excludes cover the cost of equipment for Repairs or Damaged beyond repair Devices		P
Close work orders and report CCU and Repeater status as defined in SOP	P	

Close work orders and report Endpoint status as defined in SOP, which will be provided to Customer. SOP is specific to Customer and will be developed in workshops with Customer.		P
Perform RMA, Processing, Tracking and Performance Reporting for CCU and Repeater	P	
Manage Customer owned stock of ERTs and Meters for field replacement purposes. Stock will be maintained at Customer facility.		P
Perform RMA, Processing, Tracking and Performance Reporting for Endpoint		P
Manage CCU and Repeater work orders for investigation through completion.	P	
Manage endpoint (meter) work orders for investigation through completion.		P
Perform field maintenance on CCU and Repeater including CCU and Repeater battery changes for contract terms longer than 5 years.	P	
Perform field maintenance on Endpoint.		P

**Attachment C-1**

– Objects of Service & Services Summary –

Object of Service	Provided Service
<i>CCUs</i>	<ul style="list-style-type: none"> <li>• Object of Service exception management. (1) Error registration via Itron Fixed Network application; (2) In-Field Maintenance.               <ul style="list-style-type: none"> <li>○ In-Field Maintenance SLA applies as set forth in Attachment C-2.</li> </ul> </li> <li>• File Delivery. File format is XML.               <ul style="list-style-type: none"> <li>○ File Delivery SLA applies</li> </ul> </li> <li>• Cloud Services               <ul style="list-style-type: none"> <li>○ Application Availability SLA applies</li> </ul> </li> </ul>
<i>Repeaters</i>	<ul style="list-style-type: none"> <li>• Object of Service exception management. (1) Error registration via Itron Fixed Network application; In-Field Maintenance.               <ul style="list-style-type: none"> <li>○ In-Field Maintenance SLA applies.</li> </ul> </li> <li>• File Delivery (No)</li> <li>• Cloud Services               <ul style="list-style-type: none"> <li>○ Application Availability SLA applies</li> </ul> </li> </ul>
<i>End Points</i>	<ul style="list-style-type: none"> <li>• Object of Service exception management (No).               <ul style="list-style-type: none"> <li>○ City accesses application to see if read. (If not Customer will create its own internal work order.)</li> </ul> </li> <li>• File Delivery (Billing File). File format is XML</li> <li>• Cloud Services               <ul style="list-style-type: none"> <li>○ Application Availability SLA applies</li> </ul> </li> </ul>

**Attachment C-2**

*– In-Field Network Maintenance Service Levels –*

**1. DEFINITION**

Itron will perform field investigations and replacement ("exception management") for the field-deployed Objects of Service identified in Attachment C-1.

**2. RESOLUTION PERFORMANCE METRIC**

<b>Activity</b>	<b>Target Production Service Level</b>
Place field work order for non-communicating Object of Service	Twenty four (24) hours
Resolve non-communicating Object of Service where unique meter exists – i.e., where a meter is under only one CCU	Three (3) Business days.
Resolve non-communicating Object of Service where no unique meters exists	Five (5) Business days.

In the event of acts of God or natural disasters or more than one percent of concurrent Object of Service failure, Itron field services department may require additional response time. In this situation, Itron will provide detailed communication to Customer with the failure information, what Objects of Service are being impacted and a plan to address the failed Objects of Service in a timely manner. Itron will work with Customer on the prioritization order of addressing the failed Objects of Service.

**Attachment D**  
**Supplemental Maintenance & Support Services Terms**

1. **Additional Definitions.** The following defined terms are in addition to those defined in the Agreement:

**"Annual Adjustment"** means Itron's standard annual price increase.

**"Annual Fee"** means the annual fee identified in the pricing summary for each category of Covered Product plus the Annual Adjustment, if any. The Annual Fee for any partial Maintenance Year (i.e., for Covered Products with a Maintenance Commencement Date that falls after the beginning of the Maintenance Year) shall be prorated based on the applicable number of months Customer is to receive Services under this Supplement during such Maintenance Year.

**"Contact Documents"** means the "Itron Support Services Contacts" document, which can be obtained by calling (877) 487-6602, including for example, the Itron Equipment Repair Table and Working Effectively with Itron Client Services documents.

**"Covered Product"** means Covered Software and Covered Equipment.

**"Covered Software"** means the software identified in the pricing summary to this Supplement.

**"Covered Equipment"** means the equipment identified in the pricing summary to this Supplement which is Itron Equipment. (Itron Equipment is distinguished from equipment manufactured by a third-party that Customer may purchase through Itron under an Equipment Purchase Agreement Document or other commercial sales agreement.

**"End of Support"** means a commercial decision by Itron to discontinue maintenance and support services for specific Covered Products or to discontinue offering a particular Covered Product to Itron customers in general, along with that Covered Product's associated maintenance and support.

**"Error"** means a failure of the Covered Software or Covered Software platform to substantially comply with the applicable Specifications.

**"Fix"** means a correction of an Error, including a work-around, in order for Covered Software to function in accordance with the applicable Specifications.

**"Improvement"** means an update, modification, enhancement, extension, new version (regardless of name or number), new module, or other change to Covered Software that is developed or otherwise provided by Itron.

**"M&S Commencement Date"** means the date upon and after which a Covered Product is entitled to receive Services under this Supplement in accordance with the terms of this Supplement, which – unless otherwise stated in the pricing summary – is (a) for Covered Software that is an Itron product, the first day of the month following delivery by agreed-upon method of the Covered Software (e.g., electronic or physical medium), except that the Maintenance Commencement Date for MV-RS Software is the warranty expiration date; and (2) for Covered Equipment that is Itron Equipment, the warranty expiration date.

**"M&S Services Option"** means the maintenance and support services option for Covered Equipment or Covered Software, including Service Levels, as set forth in Attachment D-1.

**"Maintenance Year"** means, for each Covered Product, a period of one (1) year beginning on the Effective Date, any anniversary thereof, or agreed-upon coverage start date.

**"Mandatory Revision"** means a software revision that Customer is required to accept in order to correct or address any one of the following issues: a material Error or a material security breach; or third party infringement claim.

**"Operating Condition"** means that the Covered Equipment performs in accordance with the applicable Specifications.

**"Principal Services Contacts"** means the Customer personnel that Customer is required to designate to serve as Customer's principal relationship contacts for all Services under this Supplement.

**"Loaned Mobile/Handheld Equipment"** means Mobile Collector and/or Handheld units loaned by Itron to Customer, under the terms of this Supplement while Services are being performed on Customer's Mobile Collector and/or Handheld.

**"Service Levels"** means, with respect to this Supplement, the response time, effort level, and escalation path procedures and guidelines described in Attachment D-1 to this Supplement.

**"Software Release"** means a collection of Fixes or Improvements made available to Itron customers (either via physical media or electronic download access).

**"Service Request"** means a request initiated by Customer for a technical support service within the scope of the applicable maintenance and support Services option purchased by Customer.

**"Technical Support Services"** means Itron technical support services provided by technical representatives by telephone, email or other remote means to assist Customer's Principal Service Contacts with questions related to the operation of the Covered Products.

## **2. Effect of Termination.**

**2.1. Effect of Termination of Agreement.** Except as otherwise provided in Section 2.1.2 below, Itron shall not be obligated to provide any Services under this Supplement upon termination of this Supplement.

**2.1.1.** If either Party terminates the Agreement Customer shall be entitled to a full refund of the applicable Fee of any amounts prepaid for Services after the termination effective date.

**2.1.2.** Unless Itron terminates the Agreement for breach or default by Customer, Itron will continue to provide Services under this Supplement that were purchased by Customer prior to the termination date – and the terms and conditions of this Supplement will continue to govern such Services.

**2.2 End of Support.** Itron may discontinue Services for any Covered Product, effective as of the end of the current Maintenance Year, by giving Customer written notice of such discontinuance no less than ninety (90) days prior to the end of such Maintenance Year. If the End of Support date is scheduled within a subsequent Maintenance Year, Fees for that subsequent term will be pro-rated through the appropriate End of Support date. At Customer's request, Itron may elect to provide custom support for products for which Maintenance Services have been discontinued at Itron's then-current rates. Unless otherwise agreed by the Parties in accordance with the foregoing sentence, Itron shall have no obligation to provide Services under this Supplement with respect to Covered Products for which Itron has discontinued Services pursuant to this Section.

## **3. Principal Services Contacts.**

**3.1. Designation by Customer.** Customer shall designate no more than two (2) Principal Services Contacts for each Covered Product, as identified in the Contract Documents, to serve as administrative liaisons for all matters pertaining to the Services provided under this Supplement for such Covered Product line, and shall provide their contact information to Itron's customer account representative. Principal Services Contacts shall report problems with Covered Products (each such report, a "Service Request") as soon as practicable for entry into Itron's support tracking system. Although it is Customer's sole right to choose its Principal Services Contacts, Customer and Itron acknowledge that each Principal Services Contact should have the appropriate technical skills and training for the position. If Customer replaces a Principal Services Contact, Customer will provide updated contact information to Itron, and the new Principal Services Contact will undergo the same initial training as described in Section 3.2.

**3.2. Training of Principal Services Contacts.** Before a Principal Services Contact interfaces with Itron, the Principal Services Contact must attend training sessions offered by Itron or by an Itron distributor authorized by Itron to conduct training, or Customer's training program approved by Itron to ensure that the Principal Services Contact is (a) knowledgeable about the operation of the Covered Products, and (b) qualified to perform problem determination and remedial functions with respect to the Covered Products. Such training sessions will be at Itron's then-current rates. Customer will be solely responsible for all travel and other expenses incurred in connection with each Principal Services Contact's attending the training sessions.

**3.3. Additional Training.** If Itron notifies Customer that additional training of a Principal Services Contact is necessary, Customer will promptly ensure that the Principal Services Contact receive such training.

## **4. Technical Support Services & Service Requests.**

**4.1. Support Services.** Itron will provide Technical Support Services during its then-current normal business hours. Technical Support Services include troubleshooting, problem diagnosis, release or system management, and recommendations for fully utilizing the Covered Products. Customer acknowledges and agrees that Technical Support Services are not intended as a substitute for training of Customer personnel, field support, or Itron professional services

– all of which can be purchased separately. Nor will Customer use Technical Support Services in lieu of having qualified and trained support personnel of its own. Itron's current Technical Support Services contact and support hours are described in the Contacts Document.

**4.2. Service Request Process.** Customer shall submit Service Requests in the manner required by the Contact Documents and Service Levels.

**4.3. Field Support.** Upon mutual agreement of the Parties, Itron will dispatch support personnel to Customer's location to provide technical support. Such support will be billed at Itron's then-current hourly rates (with reasonable travel and living expenses invoiced at Itron's cost without markup), unless the cause of the reported problem is found to be the fault of Itron.

## **5. SOFTWARE MAINTENANCE**

**5.1. Fixes.** Itron shall make commercially reasonable efforts to provide a Fix in accordance with the Service Levels. Itron's obligations with respect to Service Levels are contingent upon Customer (i) devoting the same level of effort to resolving the Error as is required of Itron, (ii) responding to requests made by Itron within the applicable Response Time, and (iii) assigning its most qualified personnel to help Itron address the Error.

**5.2. Documentation.** Itron will make an electronic copy of the Documentation available to Customer at no additional charge via physical media or download access. Itron will maintain a copy of its most recent supported version of the executable Itron Software to be made available to Customer as necessary in the event of corrupted or inoperative Itron Software.

**5.3. Improvements.** Itron shall provide Improvements, if any, at its then-current price for such Improvements (or at no charge if such Improvements are made available to Itron customers generally at no charge).

### **5.4. Software Releases.**

**5.4.1 Release Numbering Convention.** Fixes and/or Improvements are made available to customers through periodic Software Releases. For informational purposes, Itron's current typical practice (for Software other than Analytics, and which may be changed at any time in Itron's discretion) is to provide Software Releases using the numbering convention "XX.YY.ZZ."

- The "XX" in Itron's numbering convention refers to a "**System Release**," which is a new version of the item of Covered Software. A System Release may include Fixes, Improvements or interfaces to new functional modules or platforms not previously supported by Itron.
- The "YY" in Itron's numbering convention refers to a "**Service Pack Release**," which is an update to a System Release. Service Pack Releases may include Fixes or Improvements and are provided to Itron customers generally on a periodic basis.
- The "ZZ" in Itron's numbering convention refers to a "**Hot Fix Release**," which is an un-scheduled release provided to one or more customers as a short-term, temporary fix to a Severity Level 1 Error. While not utilized by all Itron software product lines, Hot Fix Releases are not made available to Itron customers generally but may be included in the next scheduled Service Pack for general release.

**5.4.2 Support for Releases of Itron Enterprise Edition and Openway Software.** This Section 5.4.2 applies only to Covered Software that are Itron Enterprise Edition or OpenWay software products. Services for Itron Enterprise Edition and OpenWay software products under this Supplement shall be limited to the most recent System Release and the prior System Release (and the most current Service Pack Release associated with such System Release). Customer will test and install Service Pack Releases associated with the System Release in use by Customer within twelve (12) months of such Service Pack Releases being made available to Customer. Customer will fully test and upgrade to the latest System Release at least every twenty-four (24) to thirty-six (36) months.

**5.4.2.1** Itron may elect to provide Services under this Supplement for an unsupported Software Release of Covered Software at its then-current rates for customer support upon request of the City.

**5.4.3 Support for Releases of all Other Itron Software.** This Section 5.4.3 applies to all Covered Software other than Itron Enterprise Edition and OpenWay Software products. Services under this Supplement for all Covered Software other than Itron Enterprise Edition and OpenWay software products shall be limited to the most

recent System Release and the two prior Service Pack Releases. Customer will test and install System Releases and Service Pack Releases within twelve (12) months of such Releases being made available to Customer. Itron may elect to provide Services under this Supplement for an unsupported Software Release of Covered Software at its then-current rates for customer support.

**5.4.4 Installation Services for Software Releases.** This Section 5.4.4 applies to all Covered Software. Installation services under this Supplement will include limited, remote phone support, for all Covered Software, on Itron certified server configurations, are applicable for one product server and one non-production server owned (test, training, or back-up – for example) / operated by the Customer. At Customer's request, Itron may provide Software Release installation services for install of System Releases or Service Packs on additional production or non-production servers at Itron's then-current hourly rates.

**5.4.4.1** Itron may elect to provide Services under this Supplement for installation of System Release of Covered Software on un-certified server configurations at its then-current rates for customer support.

**5.5. Mandatory Revision.** In the event that Itron, in its sole reasonable discretion, determines that any Covered Software is, or may (as applicable) be: (i) subject to a material Error; (ii) the subject of a material security breach; or, (iii) be subject to a third party infringement claim or suit of any kind, Itron may issue a Mandatory Revision.

**5.6. DISCLAIMER OF LIABILITY.** ITRON DISCLAIMS ALL LIABILITY AND OBLIGATIONS THAT ARISE DUE TO, OR ARE RESULT OF, CUSTOMER'S FAILURE TO TEST AND INSTALL A MANDATORY REVISION IN A TIMELY FASHION.

**5.7. Interoperability.** Itron makes no representation or warranty regarding the ability of the Covered Software to interoperate with third party hardware or software other than software or hardware identified as compatible with the Covered Software in Itron's Documentation for the applicable Covered Software.

**5.8. Restoring Software to Maintenance Services.** If Customer declines Services under this Supplement after the end of warranty or discontinues Services under this Supplement for any Covered Software, and thereafter wishes to resume such Services for the most recent Software Release of that Covered Software, Customer shall, prior to receiving Services, notify Itron in writing of its request for Services and pay Itron's then-current re-initiation fee.

**5.9. Exclusions.** Itron shall have no obligation to Customer for any Services under this Supplement to the extent any Covered Software is adversely affected by: (i) use of the Covered Software in combination with other software, equipment or communications networks that are not referenced in the Documentation or Specifications; (ii) any modification to the software, operating environment, system installation, operating instructions, scripts, or database configuration that is made other than by Itron; (iii) the use of a version of the Covered Software that is not supported by Itron; (iv) Customer's failure to implement a Fix provided by Itron; (v) the maintenance and/or support of the Covered Software other than by Itron; (vi) viruses introduced through no fault of Itron; (vii) use of the Covered Software other than as authorized by Itron and the applicable license, including Covered Software operated on Covered Equipment that has been serviced or repaired by a third party that is not Itron certified; or (viii) Customer's failure to perform Customer responsibilities in accordance with this Supplement.

#### **5.10. Customer Software Responsibilities.**

**5.10.1 Support Tools.** Customer will support remote access to the Covered Software by Itron Personnel assigned to provide Services under this Supplement for purposes of remote diagnosis and troubleshooting of the Covered Software. In addition Itron support personnel will be required to sign the City's "Third Party Connection agreement."

**5.10.2 System Configuration and Administration.** Customer will ensure that its equipment, system peripherals, operating system, and data communications environment associated with the Covered Software is configured, operated, and maintained in accordance with the Documentation and any applicable third party documentation. Customer is responsible for any change they make to the software system, operating system, database or network configuration or change to installation procedures, scripts, and provisions that may affect the useability or operation of the Software or Data. Customer will consult with Itron prior to making changes that may affect the operation of the Covered Software.

**5.10.3 Network Administration.** Customer will monitor and maintain, repair, replace and upgrade its local, and wide area network components (if any)—including network servers, network clients, network hubs, routers, modems, and other software components necessary for efficient and reliable network operations associated with the

Covered Software—to ensure continued conformance with the Documentation and any applicable third party documentation. In addition, Customer will administer related host names, Internet Protocol addresses, network interfaces, access, security, communications, and equipment and software version control.

**5.10.4 Database Administration.** Customer will administer the agreed upon database(s) associated with the Covered Software, including hardware and software components, in accordance with the Documentation or any applicable third party documentation, which administration shall include, monitoring the database server, backing up electrical power sources, and configuring and administering of database schema, application interfaces, networking operating system, communications, and file transfer software. Customer will maintain database files (e.g., truncate, cleanup, and delete files consistent with industry standard practices) and perform regular data backup and data archiving.

**5.10.5 Data Review.** If Itron determines that it is necessary to evaluate Customer data in order to reproduce error conditions not reproducible with Itron's standard test data sets, Customer will provide Itron with access to such data. Itron will manage such data in a secure manner while in use and delete the data from Itron systems upon completion of the investigation. Itron shall not be liable for any delay or failure to resolve the problem if access to such production data is denied to Itron. If the data is damaged or corrupted, Itron is responsible and liable.

## **6. EQUIPMENT MAINTENANCE**

**6.1. Preventive and Corrective Maintenance.** Upon receipt of an item of Covered Equipment, Itron shall (i) perform the preventive Services under this Supplement that Itron determines are reasonably necessary to maintain the Covered Equipment in Operating Condition, and (ii) diagnose and correct any failure in such Covered Equipment as necessary to meet Operating Condition (excluding minor cosmetic deficiencies such as blemishes, dents or scratches).

**6.2. Maintenance Procedures.** Customer shall initiate a request under this Supplement for Services for Covered Equipment by delivering the item in question to the applicable Itron address identified on the Itron Equipment Repair Table (the "Repair Table"), which can be obtained by calling (877) 487-6602. Return of the Covered Equipment shall be at Customer's expense and in accordance with the applicable Return Material Authorization ("RMA") procedures. Upon receipt of Covered Equipment (with the required information) under Itron's RMA procedures, Itron shall assess the item to determine (a) whether it is in fact Covered Equipment and (b) whether the maintenance requested is included within the Services ordered by Customer and not otherwise excluded from coverage as provided herein. If the returned equipment is determined to be Covered Equipment and the maintenance requested is in fact included in the Services ordered by Customer, Itron shall then provide the applicable Services and shall make commercially reasonable efforts to return the item of Covered Itron Equipment to Customer at Itron's expense within the applicable turnaround time identified on the Repair Table. Returned equipment that is found not to be Covered Equipment, or if maintenance or support that is requested is determined not to be included in the Service ordered by Customer, then Itron will provide a quote to Customer under Section 6.4, below.

**6.3. Exclusions.** The Services described herein do not include repairs related to: (i) damage due to external causes, including accident, abuse, misuse, inadequate maintenance, problems with electrical power, acts of God; usage not in accordance with product instructions or in a configuration not approved by Itron; (ii) service or repair processes (including installation or de-installation of equipment, parts, or firmware/software) not performed or authorized by Itron; (iii) use of parts, configurations or repair depots not certified by Itron; or (iv) Customer's failure to perform Customer responsibilities in accordance with this Supplement, including caring for Products in accordance with System Documentation.

**6.4. Estimation Fees.** Itron will provide Customer with a price quote for the estimated cost, including labor, materials and shipping, for any repairs that are requested, but not included under this Supplement (whether because the item is not covered or because the nature of the repair is not included). If Customer elects to have Itron proceed with the requested maintenance on any such item, Itron shall provide such services at Itron's then-current rates. If Customer elects not to proceed with the requested repair, Itron will return the item of equipment at Customer's expense. Itron may charge Customer its then-current handling, inspection and shipping fees for any such returned equipment.

**6.5. Adding/Restoring Equipment to Maintenance Services.** Following the effective date of this M&S Supplement, additional Covered Equipment purchased by Customer, of a similar type and model already covered by Services under this Supplement, shall automatically be deemed to be Covered Equipment following expiration of the warranty for such equipment. If Customer declines coverage after the end of warranty, discontinues Services for any Covered Equipment or has Covered Equipment serviced or repaired by a third party that is not Itron certified, and thereafter wishes to add such equipment as Covered Equipment, Itron may, prior to such equipment being included as Covered Equipment, (i) inspect such equipment at its then-current rates to determine whether it is in Operating Condition and/or (ii) charge its then-current re-certification fee, in addition to the Covered Equipment's first term maintenance fee.

**6.6. Customer Equipment Responsibilities.** Itron shall make available, and Customer shall obtain, a copy of Itron's user documentation for Covered Equipment and Customer shall perform regular preventive maintenance for each such item in accordance with such documentation. Customer shall also keep accurate records of Covered Equipment serial numbers and locations to assist Itron with the Services.

**7. Fees and Invoicing.** As compensation for the Services under this Supplement, Customer shall, in advance, pay to Itron the Annual Fee for each Maintenance Year in which it receives Services under this Supplement. Itron shall invoice Customer for Services to be provided during the first Maintenance Year as soon as practicable following the Effective Date. For Services provided during any subsequent Maintenance Year, including Services for newly purchased or licensed Covered Products, Itron shall provide Customer with a renewal notice at least one-hundred twenty (120) days prior to the commencement of each Maintenance Year. Customer may discontinue Maintenance Services for a Product by providing Itron with written notice of non-renewal for such Product no less than ninety (90) days prior to the commencement of any subsequent Maintenance Year. Approximately twenty (20) days prior to the commencement of any subsequent Maintenance Year, Itron shall provide Customer with an invoice for the Annual Fee payable by Customer for the forthcoming Maintenance Year (including the Annual Adjustment). Itron may, in its discretion, invoice Customer for Services for a Covered Product that is added during the course of any Maintenance Year as soon as such Covered Product has been added or at the beginning of the next Maintenance Year.

**8. Support for Third Party Products.** For any Covered Product that is a "Third-Party Product" (each, a "Third Party Covered Product") Itron shall provide first-tier Customer support by handling all initial Customer inquiries, identifying the component involved in the problem and obtaining appropriate documentation of such inquiry or problem. In addition, Itron shall make commercially reasonable efforts to facilitate Customer's receipt of maintenance and support for such Third Party Products consistent with the maintenance terms identified on the Order Document for such Third Party Products. Notwithstanding anything else to the contrary, Itron's sole obligation with respect to maintenance and support for Third Party Products shall be as set forth in this Section.

***[Attachment D-1 Follows]***

**Attachment D-1 to Maintenance & Support Services Supplement**

– Software Maintenance & Support Service Levels –

Severity Level	Response Times	Effort Level and Escalation Path
<p><b>Severity Level 1. Critical Business Impact / System Down:</b> An Error for which there is no work-around, which causes the Product / Software or a critical business function / process of the Itron system to be unavailable. System use and operation cannot continue.</p> <p>*Severity 1 errors must be reported by phone to initiate the Severity 1 response process. SRs initiated by email or web interface are logged as a Severity 3 until reviewed by Itron Technical Support Services and validated as a higher priority.</p>	<p>During after-hour periods, Itron will respond to a critical support voice messages within 15 minutes by a return call to Customer, which will validate receipt of the critical support call and begin the SR process. During regular business-hours Itron will begin the SR process during Customer's initial call.</p> <p>Following the start of the SR process Itron will respond to Customer's SR within 2 business hours with an investigation response.</p> <p>Following the investigation response, Itron will update Customer at three hour intervals during each day the SR remains unresolved, or as otherwise agreed by the Parties.</p> <p>Customer will respond to an Itron inquiry or request within three hours.</p>	<p>Itron will make diligent efforts on a 24x7 basis*, or as otherwise agreed by the Parties. A SR shall be escalated to Itron's TSS Management Team if a Fix is not provided within 1 business day of Itron's receipt of the Customers call and creation of the SR.</p> <p>*24X7 support for Severity Level 1 Errors is not currently available for Itron Meter Products, Energy Forecasting and Load Research Products, and Distribution Products.</p>
<p><b>Severity Level 2. Moderate Business Impact / Degraded Operation:</b> An Error other than a Severity Level 1 Error, for which there is no work-around, which limits access or use of the software or a business function, causing the system to miss required business interface or deadlines. The system remains available for operation but in a restricted fashion.</p> <p>*Severity 2 errors must be reported by phone to initiate the Severity 2 response process. SRs initiated by email or web interface are logged as a Severity 3 until reviewed by Itron Technical Support Services and validated as a higher priority.</p>	<p>Itron will respond to Customer SR within 1 business day and will update the SR at least every other day.</p> <p>Customer will respond to an Itron inquiry or request within 1 business day.</p>	<p>Itron will make diligent efforts during normal business hours. SRs shall be escalated to Itron's TSS Management Team if a Fix is not provided within 3 business days of Itron's receipt of Customer's call and creation of the SR.</p>

Severity Level	Response Times	Effort Level and Escalation Path
<p><b>Severity Level 3. Minor Business impact / Compromised Operation:</b> An Error other than a Severity Level 1 or Severity Level 2 Error that has an inconvenient use of or access to a software function. (e.g., a feature is not working as documented but a work-around is available and significant business functions are not materially impaired).</p>	<p>Itron will respond to Customer SR within 2 business days.</p>	<p>Itron technical representatives will make diligent efforts during normal business hours.</p>
<p><b>Severity Level 4. No Business Impact / Standard Operation:</b> An Error other than a Severity Level 1, Severity Level 2 or Severity Level 3 Error. Generally a cosmetic Error or an Error which does not degrade Customer's use of the system.</p>	<p>Itron will respond to Customer SR within 3 business days, or as otherwise agreed by the Parties.</p>	<p>Itron support representatives will devote commercially reasonable efforts during normal business hours.</p>
<p><b>Severity Level 5. Customer SR</b> for an enhancement or new functionality.</p>	<p>N/A</p>	<p>The SR will be evaluated as a potential, future product enhancement. If the enhancement or new functionality requires more immediate attention for Customer, Itron will engage Itron's Professional Services Group to create a customized proposal for Customer, at Itron's then-current services rates.</p>

## Attachment E

### Supplemental Installation/Implementation Services Terms

1. **Scope.** This Addendum applies where: (a) Customer is purchasing installation services for Equipment, or (b) Customer is purchasing implementation services for the set-up, configuration, and validation of Licensed Software, Software-as-a-Service, Managed Services, or Cloud Infrastructure Service.
2. **Invoicing.** Itron will invoice Customer for Services as set forth in the applicable SOW or pricing summary. Services performed on a time and materials basis will be invoiced at the end of the calendar month in which they are performed. Services performed on a fixed fee basis will be invoiced as set forth on the applicable SOW or, if not set forth on a SOW, upon completion.
3. **Authorized Services.** Customer will not pay for, and Itron is not required to provide any services, for which both a statement of work and purchase order have not been issued by Customer and accepted by Itron. All changes to scope of work must be approved pursuant to the change request procedures of the Agreement or applicable statement of work.
4. **Customer Responsibilities.** Customer shall timely perform all of its assigned, implied or assumed responsibilities under each statement of work using qualified personnel. Customer shall also provide Itron with reasonable cooperation in connection with the services, including for example, by providing Itron with reasonable access to Customer's facilities, service territory, personnel, systems, and information.
5. **Reference Information.** If Customer provides Itron any reference information, designs, technical information, or other information required to be provided by Customer in connection with the services (collectively, the "Reference Information"), Itron shall be entitled to rely on the accuracy of such Reference Information.
6. **Delays.** To the extent Customer's failure to adhere to Section 3 or Section 4 results in any delay or increases Itron's cost of performing the services, the delay shall be excused, and Itron reserves the right to increase its fees as necessary to offset its increased costs of performing the services. Itron will provide Customer with reasonable evidence of its increased costs of performing the services and will make commercially reasonable efforts to minimize such costs to the extent practicable under the circumstances.
7. **Expressed Warranties for Professional Services.** The warranty period for services provided is ninety (90) days beginning from the completion date of the services. Unless otherwise expressly provided in a statement of work or other document expressly incorporated into the Agreement, as the sole and exclusive warranties offered by Itron in connection with this Addendum and each statement of work under it, Itron warrants to Customer that:
  - 7.1. **Services.** Services will be provided in a timely, professional, and workmanlike manner.
  - 7.2. **Itron Personnel.** Itron personnel will have the requisite experience, skills, knowledge, training and education to perform Services in a professional manner and in accordance with this Addendum and applicable statement of work.
  - 7.3. **Remedies.** As Itron's sole and exclusive liability and Customer's sole and exclusive remedy for any material noncompliance by Itron with the warranties provided under this Section, Itron shall correct the noncompliance within a reasonable period of time under the circumstances, if Customer gives Itron written notice (which notice must describe the noncompliance in sufficient detail to enable Itron to provide the required corrective action) within the applicable notice period. If Itron, in its sole discretion, is unable to correct the noncompliance, its sole obligation will be to refund to Customer the amount paid for the services.

[End of Addendum]

**Attachment F**  
**Additional Cloud Services Requirements**

Itron shall provide the computer power, storage, and networking infrastructure as necessary to run the Cloud Services application software and ensure the application is available to Customer on-demand, in compliance with Attachment B, Section 4.2 Service Levels. Itron assumes all responsibility for the computing environment supporting the hosted applications and ensuring the applications, databases, updates, and operating systems meet industry standards and applicable federal and state laws.

Itron shall, at all times, provide secure physical facilities for storing Customer's Data. Itron shall use its best efforts to assure all such facilities will, to the maximum extent practicable, protect Customer's stored Data from physical threats, natural disasters, hostile elements, and any form of intrusion or access by other parties.

Itron shall, at all times, provide the highest level security consistent with industry standards, including, but not limited to, encryption technology, for all Data at rest and in transit and shall provide the most up-to-date and comprehensive storage processes and security methodologies that are appropriate for any such Data. Itron shall provide the Customer, upon Customer's request, Itron's ISO 27001 report. Upon request, Itron shall provide to Customer a copy of Itron's Information Systems security policy. Itron shall assure its security processes and methodologies are consistent with any Customer Information Systems security policies. Customer is specifically authorized, at any time (to be scheduled with Itron) and at its own expense, to review, test (tests to be agreed-upon between Itron and Customer), and retest all such storage and security measures, and Itron shall assist Customer in performing its reviews and tests. Itron shall immediately cure any security deficiencies to industry best practices and Customer's satisfaction.

Itron shall provide offsite Data backup storage via media (e.g., tape) or Cloud Services application via internet (i.e., Cloud), including rotation, retention, and periodic testing of data backups. Itron shall use its best efforts to provide backup or replication procedures to assure Customer's Data is secure and reasonably available at all times during Customer working hours. Itron shall provide and implement testing and disaster recovery programs and shall demonstrate same to Customer's satisfaction.

Itron shall arrange for prompt retrieval of accurate, reliable, and auditable Data storage records and records of destruction as the Customer may require.

Itron shall preserve the Data for any record retention periods as the Customer may specify. Unless otherwise instructed by Customer to destroy any Data, Itron shall return or destroy all Data in a mutually agreed upon media state no later than seventy-two (72) hours following termination of Agreement or other predetermined periodic schedule agreed to and attached to the Agreement.

Customer shall own all right, title, and interest in the Customer's Customer Data and Confidential Information. Itron shall not reproduce, disclose, publish, sell, or otherwise use Customer Data in any form or manner. Itron has no rights of access to or use of Customer Data other than as strictly required to perform services pursuant to this Contract. Itron's use or disclosure of Customer Data or any other Confidential Information without the Customer's express, written consent is prohibited and grounds for immediate contract termination.

Security Incident or Content Breach Notification – Cloud Services

Itron shall inform Customer of any security incident or content breach.

- Breach Reporting Requirements: If Itron has actual knowledge of or reasonably believes there has been a content breach that affects the security of any Customer Data, Itron shall:
  - notify Customer Contract Administrator as soon as practicable and in no event later than 24 hours after the breach, and
  - take commercially reasonable measures to address the data breach in a timely manner.
- Itron shall (1) cooperate with the Customer as reasonably requested by Customer to investigate and resolve the data breach, (2) promptly implement necessary remedial measures, if necessary, and (3) document responsive actions taken related to the data breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services.
- Unless otherwise stipulated, if a data breach is a direct result of Itron's breach of its contract obligation to encrypt personal data or otherwise prevent its release, Itron shall bear the costs associated with the following:

- o the investigation and resolution of the content breach; and
  - o completing all corrective actions as agreed upon by Itron and Customer.
- And in addition – up to amounts paid by Customer for Cloud Services (other than set-up fees) – the costs of:
  - o notifications to individuals, regulators or others as required by state and federal law;
  - o a credit monitoring service required by state or federal law;
  - o a website or a toll-free number and call center for affected individuals;

**Attachment G**

**Cover Sheet  
For  
Pricing Summary**



Electric/Water/Gas  
Information collection, analysis and application

2111 N. Moller Rd.  
Liberty Lake, WA 99019  
fax: 866-787-5910  
[www.itron.com](http://www.itron.com)

Pricing Summary for

**City of Tempe, AZ**

BMR# 10331-16 Ver Jun  
June 19, 2016

Item	Category	Description	Qty	Unit Price	Extended Price	Notes
<b><u>Network Infrastructure Managed Services</u></b>						
1	Year 1 (Phase 1)	Managed Services for Network Infrastructure - Per Year	1	\$45,830.00	\$45,830.00	(1)
	Year 2 (Phase 2)	Managed Services for Network Infrastructure - Per Year	1	\$47,409.00	\$47,409.00	
	Year 3 (Phase 3)	Managed Services for Network Infrastructure - Per Year	1	\$48,463.00	\$48,463.00	
	Year 4 (1 yr warr.)	Managed Services for Network Infrastructure - Per Year	1	\$49,517.00	\$49,517.00	
	Year 5 (Production Year 1)	Managed Services for Network Infrastructure - Per Year	1	\$50,571.00	\$50,571.00	
	Year 6 (Production Year 2)	Managed Services for Network Infrastructure - Per Year	1	\$51,582.42	\$51,582.42	
	Year 7 (Production Year 3)	Managed Services for Network Infrastructure - Per Year	1	\$52,593.84	\$52,593.84	
	Year 8 (Production Year 4)	Managed Services for Network Infrastructure - Per Year	1	\$53,645.71	\$53,645.71	
	Year 9 (Production Year 5)	Managed Services for Network Infrastructure - Per Year	1	\$54,718.62	\$54,718.62	
	Year 10 (Production Year 6)	Managed Services for Network Infrastructure - Per Year	1	\$55,812.99	\$55,812.99	
<b>Network Infrastructure Managed Services 10 Year Total</b>					<b>\$610,143.58</b>	

**Notes and Assumptions**

- (1) **Network Infrastructure Managed Services**  
 - Itron Network Infrastructure Managed Services requires that Tempe have a network hardware maintenance agreement in place.  
 - Price includes one backup battery replacement in all network devices during a 10 year period.  
 - Pricing does not include joint use agreements or costs associated with pole leases or taxes.  
 - Network Infrastructure Managed Services pricing is contingent on field services contract.
- (2) Taxes are not included; if the utility is tax exempt, please provide Itron a tax exempt form. Freight has been included. Prices are in US dollars.

Item	Category	Description	Quantity	Price Per Meter/ Per Month	Monthly Fee	Annual Fee	Notes
<b>Itron Total AMI</b>							(1-5)
1	Annual Services	Year 1 (Phase 1)	Itron Total AMI - Itron Network Software	5,000	\$0.252	\$1,260.00	\$15,120.00
	Annual Services	Year 2 (Phase 2)	Itron Total AMI - Itron Network Software	18,000	\$0.131	\$2,358.00	\$28,298.00
	Annual Services	Year 3 (Phase 3)	Itron Total AMI - Itron Network Software	43,898	\$0.083	\$3,643.53	\$43,722.41
	Annual Services	Year 4 (1 yr warr.)	Itron Total AMI - Itron Network Software	43,898	\$0.065	\$3,731.33	\$44,775.96
	Annual Services	Year 5 (Production Year 1)	Itron Total AMI - Itron Network Software	43,898	\$0.086	\$3,775.23	\$45,302.74
	Annual Services	Year 6 (Production Year 2)	Itron Total AMI - Itron Network Software	43,898	\$0.0877	\$3,849.85	\$46,198.26
	Annual Services	Year 7 (Production Year 3)	Itron Total AMI - Itron Network Software	43,898	\$0.0895	\$3,928.87	\$47,146.45
	Annual Services	Year 8 (Production Year 4)	Itron Total AMI - Itron Network Software	43,898	\$0.0913	\$4,007.89	\$48,094.65
	Annual Services	Year 9 (Production Year 5)	Itron Total AMI - Itron Network Software	43,898	\$0.0931	\$4,086.90	\$49,042.85
	Annual Services	Year 10 (Production Year 6)	Itron Total AMI - Itron Network Software	43,898	\$0.0950	\$4,170.31	\$50,043.72
2	Annual Services	Year 1 (Phase 1)	Itron Total AMI - Itron Analytics Software	5,000	\$0.170	\$850.00	\$10,200.00
	Annual Services	Year 2 (Phase 2)	Itron Total AMI - Itron Analytics Software	18,000	\$0.089	\$1,602.00	\$19,224.00
	Annual Services	Year 3 (Phase 3)	Itron Total AMI - Itron Analytics Software	43,898	\$0.062	\$2,721.68	\$32,660.11
	Annual Services	Year 4 (1 yr warr.)	Itron Total AMI - Itron Analytics Software	43,898	\$0.063	\$2,765.57	\$33,186.89
	Annual Services	Year 5 (Production Year 1)	Itron Total AMI - Itron Analytics Software	43,898	\$0.0645	\$2,831.42	\$33,977.05
	Annual Services	Year 6 (Production Year 2)	Itron Total AMI - Itron Analytics Software	43,898	\$0.0658	\$2,888.49	\$34,661.86
	Annual Services	Year 7 (Production Year 3)	Itron Total AMI - Itron Analytics Software	43,898	\$0.0671	\$2,945.56	\$35,346.67
	Annual Services	Year 8 (Production Year 4)	Itron Total AMI - Itron Analytics Software	43,898	\$0.068	\$2,985.06	\$36,020.77
	Annual Services	Year 9 (Production Year 5)	Itron Total AMI - Itron Analytics Software	43,898	\$0.0694	\$3,046.52	\$36,558.25
	Annual Services	Year 10 (Production Year 6)	Itron Total AMI - Itron Analytics Software	43,898	\$0.071	\$3,103.59	\$37,243.06
3	Annual Services	Year 1 (Phase 1)	Itron Total AMI - Itron Customer Portal Software	5,000	\$0.029	\$145.00	\$1,740.00
	Annual Services	Year 2 (Phase 2)	Itron Total AMI - Itron Customer Portal Software	18,000	\$0.016	\$288.00	\$3,456.00
	Annual Services	Year 3 (Phase 3)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.011	\$482.88	\$5,794.54
	Annual Services	Year 4 (1 yr warr.)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0112	\$491.66	\$5,899.89
	Annual Services	Year 5 (Production Year 1)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0114	\$500.44	\$6,005.26
	Annual Services	Year 6 (Production Year 2)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.012	\$526.78	\$6,321.31
	Annual Services	Year 7 (Production Year 3)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0122	\$535.56	\$6,426.67
	Annual Services	Year 8 (Production Year 4)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0124	\$544.34	\$6,532.02
	Annual Services	Year 9 (Production Year 5)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0126	\$553.11	\$6,637.38
	Annual Services	Year 10 (Production Year 6)	Itron Total AMI - Itron Customer Portal Software	43,898	\$0.0129	\$566.28	\$6,795.41
<b>Itron Total AMI Year 1 - 10</b>						<b>\$65,185.85</b>	<b>\$782,230.16</b>

**Notes and Assumptions**

- (1) Itron Total AMI is based on the total number of ERT's.  
Itron Total AMI is Itron's SaaS offering that includes software license, software maintenance, IT Administration, IT Infrastructure, and backhaul communication fees for Fixed Network.
- (2) Itron Total AMI SaaS for Itron Fixed Network is configured to support totals as shown above with 400 days storage of 60 minute interval data.
- (3) Itron Total AMI SaaS for Itron Analytics and Customer Portal is configured to support totals as shown above and 5 years storage of 60 minute interval data.
- (4) Itron AMI SaaS is offered for a minimum term of 12 months and will be invoiced annually.  
On an annual basis, the Itron Cloud Services Team will assess how many endpoints are being managed by the system. If the endpoint count exceeds the contracted amount by >5%, Itron will provide client revised pricing.
- (5) Pricing above in years 2-10 reflects a 2% Increase per year.



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City of Tempe, AZ

2111 N. Moller Rd.  
Liberty Lake, WA 99019  
fax: 866-767-6910  
www.itron.com

BMR# 10331-16 Ver Jun  
June 19, 2016

Item	Category	Description	Qty	Unit Price	Extended Price	Notes
<b>Annual Maintenance</b>						
<u>Year 1</u>						
1	Year 1 (Phase 1)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$120.00		Warranty
2	Year 1 (Phase 1)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$120.00		Warranty
3	Year 1 (Phase 1)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$72.00		Warranty
4	Year 1 (Phase 1)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$435.00		Warranty
5	Year 1 (Phase 1)	FC300 5-bay multi-dock, includes power supply and power cable	1	\$192.00		Warranty
6	Year 1 (Phase 1)	Field Collection System (FCS) Software License up to 50,000 ERT's	1	\$2,100.00		\$2,100.00
<u>Year 2</u>						
7	Year 2 (Phase 2)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$120.00		\$1,080.00
8	Year 2 (Phase 2)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$120.00		\$360.00
9	Year 2 (Phase 2)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$72.00		\$2,736.00
10	Year 2 (Phase 2)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$435.00		\$2,175.00
11	Year 2 (Phase 2)	FC300 5-bay multi-dock, includes power supply and power cable	1	\$192.00		\$192.00
12	Year 2 (Phase 2)	FCS Software License up to 50,000 ERT's	1	\$2,142.00		\$2,142.00
<u>Year 3</u>						
13	Year 3 (Phase 3)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$122.40		\$1,101.60
14	Year 3 (Phase 3)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$122.40		\$367.20
15	Year 3 (Phase 3)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$73.44		\$2,790.72
16	Year 3 (Phase 3)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$443.70		\$2,218.50
17	Year 3 (Phase 3)	FC300 5-bay multi-dock, includes power supply and power cable	1	\$195.84		\$195.84
18	Year 3 (Phase 3)	FCS Software License up to 50,000 ERT's	1	\$2,184.84		\$2,184.84
<u>Year 4</u>						
19	Year 4 (1 yr warr.)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$124.85		\$1,123.63
20	Year 4 (1 yr warr.)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$124.85		\$374.54
21	Year 4 (1 yr warr.)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$74.91		\$2,846.53
22	Year 4 (1 yr warr.)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$452.57		\$2,262.87
23	Year 4 (1 yr warr.)	FC300 5-bay multi-dock, includes power supply and power cable	1	\$199.76		\$199.76
24	Year 4 (1 yr warr.)	FCS Software License up to 50,000 ERT's	1	\$2,228.54		\$2,228.54
<u>Year 5</u>						
25	Year 5 (Production Year 1)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$127.34		\$1,146.10
26	Year 5 (Production Year 1)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$127.34		\$382.03
27	Year 5 (Production Year 1)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$76.41		\$2,903.47
28	Year 5 (Production Year 1)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$461.63		\$2,308.13
29	Year 5 (Production Year 1)	FC300 5-bay multi-dock, includes power supply and power cable	1	\$203.75		\$203.75
30	Year 5 (Production Year 1)	FCS Software License up to 50,000 ERT's	1	\$2,273.11		\$2,273.11



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BMR# 10331-16 Ver Jun  
June 18, 2016

Item	Category	Description	Qty	Unit Price	Extended Price	Notes
<b><u>Year 6</u></b>						
31	Year 6 (Production Year 2)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$129.89	\$1,169.03	
32	Year 6 (Production Year 2)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$129.89	\$389.68	
33	Year 6 (Production Year 2)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$77.94	\$2,981.53	
34	Year 6 (Production Year 2)	FC300, SRead Radio, English WIN CE 5.0 Pro, Non-Bluetooth	5	\$470.86	\$2,354.29	
35	Year 6 (Production Year 2)	FC300 5-bay multi-dock, Includes power supply and power cable	1	\$207.83	\$207.83	
36	Year 6 (Production Year 2)	FCS Software License up to 50,000 ERT's	1	\$2,318.57	\$2,318.57	
<b><u>Year 7</u></b>						
37	Year 7 (Production Year 3)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$132.49	\$1,192.41	
38	Year 7 (Production Year 3)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$132.49	\$397.47	
39	Year 7 (Production Year 3)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$79.49	\$3,020.77	
40	Year 7 (Production Year 3)	FCS Software License up to 50,000 ERT's	1	\$2,364.94	\$2,364.94	
<b><u>Year 8</u></b>						
41	Year 8 (Production Year 4)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$135.14	\$1,216.26	
42	Year 8 (Production Year 4)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$135.14	\$405.42	
43	Year 8 (Production Year 4)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$81.08	\$3,081.18	
44	Year 8 (Production Year 4)	FCS Software License up to 50,000 ERT's	1	\$2,412.24	\$2,412.24	
<b><u>Year 9</u></b>						
45	Year 9 (Production Year 5)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$137.84	\$1,240.58	
46	Year 9 (Production Year 5)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$137.84	\$413.53	
47	Year 9 (Production Year 5)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$82.71	\$3,142.80	
48	Year 9 (Production Year 5)	FCS Software License up to 50,000 ERT's	1	\$2,460.48	\$2,460.48	
<b><u>Year 10</u></b>						
49	Year 10 (Production Year 6)	CCU 100, Internal GPS/WAN Antenna, AC powered, Cellular WAN with direct mount ERT antenna and hardware	9	\$140.60	\$1,265.39	
50	Year 10 (Production Year 6)	CCU 100, External GPS/WAN Antenna, AC powered, Cellular WAN with remote mount ERT antenna and hardware	3	\$140.60	\$421.80	
51	Year 10 (Production Year 6)	Repeater 100, Internal GPS/WAN Antenna, AC powered with direct mount ERT antenna and hardware	38	\$84.36	\$3,205.66	
52	Year 10 (Production Year 6)	FCS Software License up to 50,000 ERT's	1	\$2,509.69	\$2,509.69	
<b>Annual Maintenance for Years 1-10</b>					<b>\$76,047.71</b>	



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BMR# 10331-16 Ver Jun  
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**Notes and Assumptions**

- (1) 100W Full warranty is consistent with the warranty terms in the Agreement for the first 10 years from date of shipment.  
For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.  
For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.
- (2) Software Maintenance start date commences on the first of the month following Software delivery.
- (3) FC300 hardware Maintenance ends in year 6/2021 as that is Itron's End of Support date and will require a technology refresh.
- (4) Hardware pricing above in years 3-10 reflects a of 2% increase per year. Software pricing above in years 2-10 reflects a of 2% increase per year.
- (5) Maintenance Services are billed directly from Itron to End Customer.